GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:4888
ANSWERED ON:24.08.2001
AUDIT COMMITTEE FOR BANKS
RAMJI MANJHI

Will the Minister of FINANCE be pleased to state:

(a) whether any instructions have been issued by RBI to banks to form an Audit Committee of the Board (ACB) to supervise the internal inspection and audit system in banks;

(b) if so, the reasons for forming such a Committee;

(c) the number of banks both in public and private sector who have followed the instructions and formed the ACB; and

(d) the action the Government propose to take against all such banks who have not yet formed ACB?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL)

(a) : Yes Sir.

(b) : The Audit Committees have been formed to oversee the operation of the total Audit function and to review internal inspection of the bank and to specially focus on inter-branch adjustment accounts, unreconciled long outstanding entries in inter-bank accounts and nostro accounts, arrears in balancing of books at various branches, frauds, and all other major areas of house-keeping.

(c)&(d) : The information is being collected and will be laid on the table of the House.